REMARKS

This response is intended as a full and complete response to the non-final Office Action mailed on March 25, 2005. In the Office Action, the Examiner notes that claims 1-8, 10, 12-47, 51 and 53-78 are pending and rejected. By this response, the Applicant has not amended any claims.

In view of the following discussion, the Applicant submits that none of the claims now pending in the application are obvious under the provisions of 35 U.S.C. §103. Thus, the Applicant believes that all of these claims are now in allowable form.

It is to be understood that the Applicant does not acquiesce to the Examiner's characterizations of the art of record or to the Applicant's subject matter recited in the pending claims. Further, the Applicant is not acquiescing to the Examiner's statements as to the applicability of the art of record to the pending claims by filing the instant responsive amendments.

REJECTIONS

35 U.S.C. §103

Claims 1-8, 10, 12-32, 34-47, 51, 53-62 and 64-78

The Examiner has rejected claims 1-8, 10, 12-32, 34-47, 51, 53-62, and 64-78 under 35 U.S.C. §103(a) as being unpatentable over U.S. 6,177,391 B1 to Alexander "(Alexander") in view of U.S. Patent 6,493,872 to Rangan ("Rangan"). The Applicant respectfully traverses the rejection.

Applicants' independent claims 1, 7, 25, 53, 59 and 69 recite different aspects of the present invention including the limitation for the terminal selectively assigning targeted virtual objects to virtual object location in a video program. Specifically, claim 1 includes the limitation of "retrieval plan directs the terminal to select one of the one or more virtual objects for placement at said at least one virtual advertisement spot in said video program." Claim 7 includes the limitations of "generating a retrieval plan at one or more viewer's terminals, wherein the retrieval plan at the terminal designates which of the one or more virtual object locations displays an alternate virtual object in said video program." Claim 25 includes the limitation "storing the retrieval plan at one or more of the terminals; and providing a video program to one or more of the terminals, the video

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program including at least one virtual object location, wherein the retrieval plan designates virtual objects to be displayed during a display of the video program." Claim 53 includes the limitation of "at a local viewer terminal, identifying virtual objects for insertion into one or more of the locations in the video program." Claim 59 includes the limitation of a terminal... comprising... "a processor that executes a group assignment routine to assign the terminal to one or more groups, wherein the groups are defined based on common viewer characteristics, and executes a virtual object assignment routine that assigns virtual objects to the virtual object locations based on a comparison of the retrieval plan and the group assignments." Claim 69 includes the limitation, "storing the retrieval plan at one or more of the terminals; and providing a video program to one or more of the terminals, the video program including at least one virtual object location, wherein the retrieval plan designates virtual objects to be displayed during a display of the video program. As shown by the claims and the disclosure of the present invention, the invention includes system and method of the <u>terminal</u> assigning virtual objects to the <u>video</u> programs containing virtual object locations.

According to MPEP 2143.03, all claim limitations must be taught or suggested. "To establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). 'All words in a claim must be considered in judging the patentability of that claim against the prior art.' In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). "

Neither references show assigning virtual objects, such as using a retrieval plan, at the terminal in video program containing virtual objects locations. Alexander teaches an electronic programming guide (EPG) that provides improved user interaction. In particular, it discloses having virtual channel ad displayed on the tiles of the electronic program guide. It does not disclose, teach or suggest that these virtual channel ads could be placed in a virtual object location within a video program at the terminal. Moreover, Alexander does not even teach or suggest virtual objects in video programs. Rangan discloses synchronizing data streams to be displayed at an end station. Specifically, Rangan uses an authoring server to replace a selected entity of the program and create an annotation stream. One data stream is a live video stream and

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the other is an annotation stream having added material to be displayed with the live video stream. The annotation stream includes tracking data derived from tracking an entity in the first data stream. At the end station, the information in the annotated is used to replace the tracked object of the video stream with the data stream (See Rangan, Fig. 9, column 16, lines 56-67). It does not disclose, teach or suggest video programming containing virtual object locations for selectively placing virtual objects at a terminal. Thus, both references lack any teaching or suggestion that a virtual object could be <u>selectively assigned using retrieval plan in a video at the terminal</u> (emphasis added).

The test under 35 U.S.C. §103 is not whether an improvement or a use set forth in a patent would have been obvious or non-obvious; rather the test is whether the claimed invention, <u>considered as a whole</u>, would have been obvious. <u>Jones v. Hardy</u>, 110 USPQ 1021, 1024 (Fed. Cir. 1984) (emphasis added). Moreover, the invention <u>as a whole</u> is not restricted to the specific subject matter claimed, but also embraces its properties and the problem it solves. <u>In re Wright</u>, 6 USPQ 2d 1959, 1961 (Fed. Cir. 1988) (emphasis added). The Alexander and Rangan references alone and in combination fail to teach or suggest the Applicants' invention <u>as a whole</u>.

Alexander failed to disclose virtual object could be selectively assigned in a virtual location in a video at the terminal. Furthermore, the Rangan reference does not bridge the substantial gap between the Alexander reference and the Applicant's invention. Rangan also does not disclose teach or suggest virtual object could be selectively assigned in a virtual location in a video at the terminal.

In addition, there is no motivation to combine Alexander and Rangan. According to MPEP 2143.01: THE PRIOR ART MUST SUGGEST THE DESIRABILITY OF THE CLAIMED INVENTION. Therefore, the prior art as a whole must "suggest the desirability" of the combination. Neither reference suggested the desirability of having terminals with interactive virtual object location in the video wherein virtual objects would be selectively placed in those locations. Alexander, Rangan and the present invention are trying to solve completely different problems. Alexander realized that earlier Electronic Programming Guides (EPG) has extremely limited viewer interaction capabilities. Alexander wanted to improve over the previous EPG by allowing for

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improved viewer Interactions including utilization of viewer profile information to provide customized presentation of advertising to the viewer. Rangan, on the other hand, is solving a completely unrelated problem. Rangan realized there a need for users of data network to receive and resynchronize separate data streams from separate and unrelated delivery systems. The problem Rangan is trying to solve is latency because different networks have unpredictable delays sending different data stream over different networks provide a formidable challenge to resynchronize them and display as one stream to the user. Rangan states that such solution could allow for personalization of advertising for target end users. Even though both of these references involves advertisements, the natures of the problem they are trying to solve are completely different and unrelated from each other and from the present invention. Improving the EPG by make it more interactive is completely unrelated to synchronization of different data streams. There is no motivation to combine because the nature of the problem for Alexander is different than the nature of the problem for Rangan, and neither suggests a desire to combine to form the present invention. Alexander does not teach or suggest the personalizing advertising in video using virtual objects at the terminals. Furthermore, Alexander teaches away from that idea of having advertisements in videos because it teaches having static advertisement boxes on the EPG separate from the unedited video displayed In another box. Moreover, Rangan does not even consider the possibility of having virtual object locations where the terminal device may selectively place virtual objects. None of the references teach or suggest the desirability of personalizing advertising in video using virtual objects at the terminals.

Even if the two references could somehow be operably combined, the combination would provide a library of advertisements stored at the viewer's terminal where the EPG selects advertisements for display according to pre-established selection criteria, and an authoring station for tracking and inserting advertisements in a video stream that is upstream from the user's terminal. Nowhere In the combined references is there any teaching or suggestion of "generating a retrieval plan at one or more viewer's terminals, wherein a retrieval plan at the terminal designates which of the one or more virtual object locations displays an alternate virtual object in said video

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program." Therefore, the combined references fail to teach or suggest the Applicant's invention as a whole.

As such, the Applicant submits that independent claims 1, 7, 25, 34, 43, 51, 53, 54, 59, 68 and 69 are not obvious and fully satisfy the requirements of 35 U.S.C. §103 and are patentable thereunder. Furthermore, claims 2-6, 8, 10, 12-24, 26-32, 35-42, 44-47, 55-58, 60-62, 64-67 and 70-78 depend, either directly or indirectly, from Independent claims 1, 7, 25, 34, 43, 51, 53, 54, 59, 68 and 69 and recite additional features thereof. As such and at least for the same reasons as discussed above, the Applicant submits that these dependent claims are also not obvious and fully satisfy the requirements of 35 U.S.C. §103 and are patentable thereunder. Therefore, the Applicant respectfully requests that the Examiner's rejection be withdrawn.

Claims 33 and 63

The Examiner has rejected claims 33 and 63 under 35 U.S.C. §103(a) as being obvious and therefore unpatentable over Alexander in view of Rangan in further view of U.S. Patent 6,741,834 to Godwin (hereinafter "Godwin"). The Applicant respectfully traverses the rejection.

Claims 33 and 63 respectively depend from independent claims 25 and 59 and recite additional features thereof. In particular, claim 33 (and similarly dependent claim 63) recites in part:

> "A method of targeting virtual objects to terminals, comprising:
> creating a package of targeted virtual objects;
> providing the package to one or more of the terminals;
> generating a retrieval plan;
> storing the retrieval plan at one or more of the terminals; and
> providing a video program to one or more of the terminals, the
> video program including at least one virtual object location, wherein the retrieval plan designates virtual objects to be displayed during a display of the video program." (emphasis added).

As discussed above, the combination of the Alexander and Rangan references fails to teach or suggest the Applicant's invention as a whole.

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Furthermore, the Godwin reference does not bridge the substantial gap between the Alexander and Rangan references and the Applicant's invention. Specifically, the Godwin reference discloses

> The subscriber receiver 110 includes a global positioning system (GPS) receiver 524 communicatively coupled to a suitable antenna 526. The GPS receiver 524 can provide information regarding the position of the subscriber receiver 110 (for example, in the form of a latitude and longitude). The location module 518 provides the local broadcast region information to a controller module 530 and to an EPG data processing module 532. The controller module 530 uses the information provided by the location module 518 and the local market ID to determine which of the satellite's regional media programs should be presented to the user. Further, the EPG data processing module 532 uses the information provided by the location module 518 to determine which programs to present in an integrated EPG (presenting only those which are either national media programs or satellite or terrestrial regional media programs broadcast within the local broadcast region). (see Godwin, column 7, lines 30-51, FIG. 8B).

Even if the three references could somehow be operably combined, the combination would merely provide a graphical electronic program guide having advertisement panels to a terminal having a GPS receiver, where the terminal is capable of determining which programs to present in an integrated EPG. Nowhere in the combined references is there any teaching or suggestion of "providing a video program to one or more of the terminals, the video program including at least one virtual object location, wherein the retrieval plan designates virtual objects to be displayed during a display of the video program." Therefore, the combined references fail to teach or suggest the Applicant's invention as a whole.

As such, the Applicant submits that independent claims 25 and 59 and dependent claims 33 and 63, which depend from independent claims 25 and 59, are not obvious and fully satisfy the requirements of 35 U.S.C. §103 and are patentable thereunder. Therefore, the Applicant respectfully requests that the Examiner's rejection be withdrawn.

CONCLUSION

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      Thus, the Applicant submits that none of the claims presently in the application are obvious under the provisions of 35 U.S.C. §103. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

      If, however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, it is requested that the Examiner telephone Eamon J. Wall at (732) 530-9404 so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

Dated: _5/11/05_

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